Luxury 2-door joining Acura Legend lineup

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Honda Motor Co. has introduced a two-door luxury hardtop version of its Acura Legend model. It will be exported to the United States next month and to Canada in April.

Honda expects to sell 3,000 hardtops annually in Japan at prices equivalent to $25,500-$26,400.

The company said it aims to sell 25,000 units annually in the United States and another 1,000 in Canada.

The car is powered by a 2.7-liter, 24-valve V-6 engine, transverse-mounted and producing 180 horsepower.

The engine is similar to the four-door sedan's 2.5-liter powerplant, which produces 151 hp. The engine has a computerized, variable intake control system to improve air flow and reduce valve opening duration to provide high torque at all speeds.

Powered by a 2.7-liter, 24-valve V-6 engine, producing 180 horsepower

It is mated to a new four-speed automatic transmission that incorporates a driver-selectable sporty mode for quicker acceleration in addition to a regular, more economical setup. It features progressive torque converter lock-up capability in second, third and fourth gears and torque converter lock-up under deceleration.

A computer unit monitors and controls coolant temperature, throttle opening, vehicle speed, engine speed and five other functions to regulate torque-converter lock-up and shift points.

Described as "an exclusive personal luxury car incorporating Honda's latest technology," the new model is labeled a hardtop by the automaker, although it has B pillars.

According to Honda, "The hardtop look was made possible by using sashless doors and thin, almost unnoticeable pillars which are equal to conventional pillars in rigidity and strength."

The car is 191 inches long, 69.8 inches wide, 54.8 inches high and has a 108.2-inch wheelbase.

Newark plant gets Chrysler ultimatum

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTERB

Chrysler Motors has asked UAW Local 1183 at its Newark, Del., assembly plant to reconsider the union's rejection of a plant-saving labor agreement.

Chrysler said it will withhold future product from the plant if a "modern operating agreement" is not reached by March 4.

UAW Local 1183 officials declined comment.

The Newark plant has been scheduled to begin making — in late 1988 — Chrysler's A-body. The A-body is to replace the K-cars now assembled in the plant.

However, because UAW Local 1183 rejected Chrysler's request to negotiate a new operating agreement, the company has notified the International UAW that it is halting all facility construction and training, which were underway in preparation for the A-body.

In addition, the company said it is accelerating a study to find an alternative assembly site for the A-body. Chrysler said it is evaluating purchase or lease of an existing Midwest assembly plant as well as possible use of a "green-field" site.

The company did not name specific locations. However, Chrysler said a Midwest site would offer shipping efficiencies and improved productivity — providing a modern operating agreement was reached.

"Failure by less than half of UAW Local 1183 membership to authorize negotiation of a modern operating agreement is a serious setback to future employment prospects for the Newark assembly plant," Chrysler said in a statement. "We hope the employees will promptly reconsider their action.

"While Chrysler management recognizes the loyalty of Newark employees and the cooperation it has had from the State of Delaware and its local communities, we must consider the need to remain competitive with both foreign and transplant competition in the coming years," the company said.

Chrysler employs 4,300, including 3,800 hourly workers, at the Newark plant. The plant was built in 1952.

The union leadership had recommended reopening the existing local contract prior to the veto by the membership. The current local pact expires in September 1988.

Chrysler has linked negotiation of a new local labor agreement with future product scheduling at several plants during the past year. Citing efficiency and productivity gains, the company has sought changes such as reduced job classifications, pay-for-knowledge compensation and team production.

Permitting a reconsideration of the Newark vote would not be unprecedented. In August, Chrysler agreed to a second-chance vote at its Trenton, Mich., engine plant and averted a plant phase-out.

The Newark vote comes at a time when Chrysler's assembly capacity is strained. The company has entered an unprecedented agreement with American Motors to build its large rear-wheel-drive cars at AMC's Kenosha, Wis., plant. It is also seeking assembly of its subcompact Omni and Horizon America models at the AMC plant.

UAW ads call for fair-trade law

$2 million campaign attacks imports, stresses jobs and wages

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

To get across its message on trade, the UAW has begun a three-week, $2 million national TV ad campaign. The UAW said it is confident the message will "strike a responsive chord" with American viewers.

UAW President Owen Bieber said the ads "reflect and reinforce the belief of the American people that it's time for strong congressional action on the trade crisis facing the nation."

The campaign features three 30-second spots running in news, public affairs and prime-time slots on stations in 20 markets.

One spot, narrated by actor E.G. Marshall, attacks "cheap imports . . . from countries where corporations pay workers a fraction of U.S. wages." Marshall asks, "What happens to our young people if they have to match those wages to get a job?"

The two other ads show bleak scenes of vacant farms and closed factories. One of them asks, "What are we doing to America? We're letting other countries supply our food . . . our cars . . . our clothes . . . our electronics . . . and dependence on imports could one day shut down America."

All three spots end with a call for an effective trade policy.

The ad campaign follows through on the union's focus on trade legislation during its annual legislative conference held last week in Washington.

The conference included a demonstration on Capitol Hill and visits to legislators in support of UAW concerns, which include laws that would penalize nations for unfair trade practices.

To the list of trade practices considered unfair under U.S. law, the UAW wants to add violation of labor rights by foreign countries with dictatorial governments, such as South Korea. Such practices are called unfair in the trade bill now before the House.

The General Motors-Daewoo joint venture in Korea is scheduled to begin shipping LeMans automobiles to the United States in May.

In the conference's keynote address, President Owen Bieber said the union strongly resists "any approach to competitiveness that targets American wages and American working conditions for further reductions or erosion."

"If corporations just keep going where labor is cheapest . . . the Bangladesh standard of living is where we are headed," Bieber said.

He said that the first step toward strengthening the United States' competitive position is "reducing those horrendous trade deficits."

Bieber urged support for the trade bill introduced earlier this year in Congress and called for congressional action on plant-closing legislation to protect workers and communities.

Last week, members of Congress were preparing to introduce legislation requiring companies to give workers advance warning of plant shutdowns or mass layoffs.

In his address, Bieber blasted U.S. automakers for outsourcing and reducing capacity in the United States while adding plants in Mexico and "going flat-out in Canada."

Bieber said the union plans newspaper and radio advertising during the trade debate.

Keller: GM needs a 'car person'

NEW YORK — Auto industry analyst-critic Maryann Keller says a turnaround at General Motors will be achieved only when GM changes its corporate philosophy and appoints a "car person" to lead the company.

Keller, of Furman, Selz, Mager, Dietz & Birney Inc., did not out-and-out advocate a change in the current GM management, including GM Chairman Roger B. Smith, but she said after a meeting of the International Motor Press Association that new people at the top would help.

She added that GM cannot accomplish a turnaround without a basic philosophical change. GM, Keller said, has not been responsive to customers and dealers.

She suggested that GM should be asking itself why customers are not buying its cars and why GM dealers are seeking other franchises — including the new Sterling, hot among GM dealers, especially Cadillac dealers.

Keller termed the much ballyhooed GM reorganization a failure. She said the reorganization — which placed the car divisions in charge of marketing while two car groups ran production — should have worked, but it did not.

— John A. Russell

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61st year—No. 5168

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Cadillac, Lincoln eye standards for limo converters

By Scott Miner
AUTOMOTIVE NEWS STAFF REPORTER

ATLANTIC CITY, N.J. — Cadillac and Lincoln may impose stricter standards on limousine converters.

If such measures are adopted, the automakers could limit who is allowed to buy vehicles for the purpose of converting them into limousines. The auto companies would decide who gets the nod based on which coachbuilders adhere to those standards.

Converters buy their cars from dealers. At present, the automakers have no control over what happens to the car after it is sold by the dealer.

No formal plans or standards have yet been adopted by either Cadillac or Lincoln-Mercury divisions, the primary source of vehicles for the industry.

However, James L. Centner, president of Moloney Coachbuilders, said his company has been talking with Cadillac and Lincoln for about three years about a "Master Coachbuilder" concept.

Limousine and Chauffeur Show in Atlantic City, N.J.

Moloney is one of the four top limousine conversion companies. Each produces about 1,000 limousines a year, and the four firms account for an estimated 80 percent of the limos built for sale in the United States.

Centner discussed the Master Coachbuilder program with Automotive News at the Limousine and Chauffeur Show here.

Cadillac officials have said their legal department is reviewing the situation before they decide on the next step.

see STANDARDS, page 54

Big-truck sales slip in January

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Medium and heavy-truck sales, with the exception of Class 5, nosedived in January.

However, strong order banks reported by several manufacturers are expected to lift the two segments during the next several months.

On the light-truck side, Chrysler was stunned by the slump in its Caravan/Voyager sales last month.

Some dealers feel that the Chrysler minivans may be suffering the effects of steady price hikes during the past year or so. Buyers also appear to be backing off from the 2.6-liter 4-cylinder-engine minivan models and waiting for the new V-6 which recently became available.

As one dealer pointed out, "If you're going to pay $15,000 for a Voyager, why not pay $15,500 and get the V-6."

At any rate, stronger Chrysler incentives — not only for Caravan/Voyager, but for other truck models — appear to be in the offing.

The industry retailed 295,300 trucks in January, off 14.0 percent from a year earlier.

Class 8 sales, including an estimate of 600 for Peterbilt, totaled 7,960 last month, off 12.7 percent from a year ago.

All Class 8 manufacturers except Peterbilt reported final sales.

Freightliner is one of those manufacturers with a strong order board. It currently has a six-month backlog of heavy-truck orders, according to Chairman Peter Rupp, who described the outlook at the recent Truck Rental and Leasing Association convention in Las Vegas.

Meanwhile, Class 7 sales of 7,168 were off 6.1 percent in January. Class 6 sales of 2,735 were off 19.7 percent from a year earlier.

Class 5 sales of 1,007 were a multiple of the 188 units sold in the category last year, reflecting the increased strength at GMC and the influx of several new importers.

Class 1-3 sales, as previously reported, totaled 276,430, off 14.4 percent from a year earlier.

UPTURN

Sales gain predicted for heavy trucks, but estimates range from a little to a lot

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Truck manufacturers and analysts are beginning to line up behind predictions of stronger 1987 heavy-truck sales, with the most-optimistic forecasts calling for up to 140,000 Class 8s being sold this year.

In calendar 1986, the industry sold a little less than 113,000 heavy-duty trucks.

Drexel Burnham Lambert Inc. and Volvo White joined Ford and Freightliner in predicting an upturn in Class 8 sales this year.

David Healy, analyst with Drexel Burnham Lambert, admitted that he's "more than a little on the high side" with his 140,000-unit Class 8 projection.

He pointed out, however, that the new-order rate for Class 8s had been running at well over 150,000 units in the second half of 1986 and "a lot of trucks are going to get sold."

The order rate is still very high, according to industry sources, even though January sales don't reflect that.

Normally, it takes three to six months to fill such orders, since many of those trucks are custom-built.

Freightliner currently has a six-month backlog of orders.

Freightliner Chairman Peter Rupp said that if overall industry sales didn't improve within the next few months over January's level his company's projection of 120,000 Class 8 sales is still attainable, but "We'll light have to a few candles in some churches" to achieve it.

Healy said that, after two years of declining sales and earnings, the industry is "kind of shell-shocked" by the recent upturn and cautious in its response to it. He feels that is why manufacturers' forecasts are more conservative than those of his company.

He added that there's been a good increase in the freight, or tonnage, carried by trucks as well as signs of an improving economy.

The American Trucking Associations' index of freight carried by trucks has been a particularly good indicator of the industry's past cycles, Healy added.

The ATA's freight index anticipated the sharp 1979-1980 recession, the aborted 1980-1981 recovery and the renewed recession that bottomed out in November 1982.

The index also anticipated the subsequent recovery that topped out in 1984, a 1984-1985 decline and a recovery that began in the second half of 1985 and strengthened in the second half of 1986, Healy pointed out.

Volvo-White, although revising its 1987 forecast upward a bit, is still looking for only 115,000 Class 8 sales.

Officials at a news media gathering in Greensboro, N.C., said that a tougher emission standard for Class 8 trucks, which had been due to take effect on Jan. 1, 1988, has been deferred until 1991.

That led them to predict that there wouldn't be heavy pre-buying in the third and fourth quarters of 1987, as had originally been anticipated.

Volvo, though, sees moderate interest rates, continued GNP growth of 2-3 percent and moderate inflation boosting the truck market.

Terry Young, director of marketing for Volvo White, also said the new tax law hasn't affected business investments as they relate to truck sales.

"People are finding ways to deal with the new tax law and are continuing to invest (in trucks and truck-related activities)," Young said.

Healy noted that since the investment tax credit really "died" at the end of 1985 (not 1986), and the depreciable life of "road tractors" (comprising most Class 8 trucks) remains at three years under the new tax law, there seemed to be little tax incentive for truck buyers to take delivery before year-end 1986.

Thus, he said, the upturn last year was not a temporary, artificially induced buying spree.

Road tractors can be depreciated for tax purposes at a 200 percent declining balance rate under the new law compared to 150 percent under the old law, Healy pointed out. The tax benefit is continuing and shouldn't create a year-end rush of truck deliveries this year, he added.

How many Class 8s are sold in 1987 also depends on current market shifts.

Ford, like Freightliner, is also anticipating 120,000 Class 8 sales this year.

Ford's projection would have been stronger, except that officials see a continuing shift of Class 8 customers into the borderline Class 7 or "baby 8" trucks, falling just below the 33,001-pound GVW category.

Ford is fairly conservative in its anticipation of Class 6-7 sales, and Drexel Burnham again is more bullish.

The financial institution sees Class 6-7 sales for 1987 increasing to 160,000 from 143,000 last year.

Ford sees Class 6-7 staying on a fairly even keel with last year.

The two segments have been rather erratic, with widely fluctuating sales over the past decade, but now appear to be on a more even, steadily upward, keel.

January truck sales by manufacturer and segment

		16,000 & LESS GVW CLASS 1-4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	37,825					37,825	40,335
	YR	37,825					37,825	40,335
JEEP	MO	16,491					16,491	17,337
	YR	16,491					16,491	17,337
TOYOTA	MO	18,403					18,403	26,889
	YR	18,403					18,403	26,889
NISSAN	MO	15,894					15,894	14,789
	YR	15,894					15,894	14,789
MAZDA	MO	8,358					8,358	8,648
	YR	8,358					8,358	8,648
ISUZU	MO	5,848					5,848	5,591
	YR	5,848					5,848	5,591
MITSUBISHI	MO	2,905					2,905	1,976
	YR	2,905					2,905	1,976
SUZUKI	MO	5,662					5,662	2,865
	YR	5,662					5,662	2,865
FORD	MO	80,620		813	1,740	668	83,841	98,657
	YR	80,620		813	1,740	668	83,841	98,657
FREIGHTLINER	MO					1,193	1,193	1,237
	YR					1,193	1,193	1,237
CHEVROLET	MO	65,754	9	514	500	27	66,804	89,019
	YR	65,754	9	514	500	27	66,804	89,019
GMC	MO	18,328	939	333	1,812	659	22,071	25,521
	YR	18,328	939	333	1,812	659	22,071	25,521
KENWORTH	MO					900	900	547
	YR					900	900	547
MACK	MO			241	249	882	1,372	2,319
	YR			241	249	882	1,372	2,319
MERCEDES	MO			104	131		235	423
	YR			104	131		235	423
NAVISTAR	MO		13	643	2,501	2,308	5,465	5,821
	YR		13	643	2,501	2,308	5,465	5,821
PETERBILT	MO					600	600	585
	YR					600	600	585
VOLVO	MO				112	634	746	803
	YR				112	634	746	803
HINO	MO		19	34	48		101	0
	YR		19	34	48		101	0
NISSAN DIESEL	MO		21	39	56		116	0
	YR		21	39	56		116	0
ISUZU TRUCK	MO	342	6	8			356	0
	YR	342	6	8			356	0
MITSUBISHI FUSO	MO			6	19		26	0
	YR			6	19		26	0
SCANIA	MO					23	23	0
	YR					23	23	0
OTHER DOMESTICS	MO					66	66	80
	YR					66	66	80
GRAND TOTAL	MO	276,430	1,007	2,735	7,168	7,960	295,300	343,442
	YR	276,430	1,007	2,735	7,168	7,960	295,300	343,442
1986 YR to DATE		323,091	188	3,406	7,635	9,122		

Class 1-4 sales data reported by individual manufacturers; Class 5-8 data reported by Motor Vehicle Manufacturers Association.

AUTOMOTIVE WORLD NEWS

What's wrong with Vauxhall?

By Jake Lucas

You already know who Europe's big lossmakers are — Renault, Rover, Alfa Romeo and Citroen, right?

Add to that list the name of General Motors, whose European operation is generally viewed in a much more favorable light despite the buckets of money it loses for its Detroit parent.

Adam Opel AG, the West German subsidiary headquartered in Russelsheim, has lost 1 billion German marks ($550 million at today's rate) in the last five years.

The smaller British subsidiary, Vauxhall Motors Ltd., based in Luton, England, has all but forgotten what making a profit feels like. While accumulating losses of over 300 million pounds sterling — equivalent to about $450 million today — in the past decade, Vauxhall made a profit just once, 2 million pounds in 1978.

What has gone wrong at Vauxhall? As recently as 1985 the company recorded a doubling of market share to 16.6 percent in five years and solid profits were forecast for 1986.

Now market share is down to 15.1 percent and unlikely to rebound to the previous record penetration. The long-awaited profit is not expected until 1988, as 1985 losses of 47.6 million pounds ($73 million) were more than matched last year.

An Opel Kadett/Daewoo LeMans by any other name: Vauxhall Astra.

Claims in 1985 that Vauxhall had left the worst excesses of the discount price war to rivals Ford Motor Co. and Austin Rover sounded reassuring, but in reality the company lost the equivalent of $240 on every car it sold.

Beneath all the sales gloss, Vauxhall was struggling with new and old problems at the Luton and Ellesmere Port plants that produce the Cavalier and Astra models, respectively.

In 1985 management was trying to make the best of production while in the thick of a 15-month run of 160 strikes and walkouts that cost 1.4 million working hours and over 18,000 lost cars.

If the Detroit GM chiefs had not enjoyed the luxury of importing cars from more efficient factories in Belgium, West Germany and Spain, they may have been forced to knock Vauxhall plants into shape earlier. They are now paying the price for not having done so.

In the same year, Vauxhall introduced the new Astra (Opel Kadett) at Ellesmere Port, using many manufacturing concepts that GM said were for the futuristic Saturn project in the U.S.

Unfortunately, there were considerable teething problems as equipment suppliers found their machinery talked different computer languages than Vauxhall's. The trade unions became suspicious, believing management was quite happy to miss production targets and import more cars.

Against the background of continuing financial losses, Ellesmere Port saw a promised $150 million paint facility put on the back burner for up to three years.

Last year's 25-percent strengthening of the deutschemark against sterling compounded Vauxhall's problems. It found itself badly exposed to a currency shift that GM experts believe is here to stay.

With the rest of Europe supplying almost half the parts — engines, transmissions, body stampings — for the United Kingdom-assembled models, and over 70,000 built-up Vauxhall-badged cars for the British sales network, a one-pfennig rise in the exchange rate was costing Vauxhall 1 million pounds.

GM officials in Detroit had erred badly, and knew they had no option but to make the manufacturing operation in Britain cost competitive. It had to build more cars in the U.K. and import fewer.

Ford has reached the same conclusion. It expects to push up U.K. production 20 percent by 1989, a revelation for the Halewood and Dagenham plants that have for years failed to meet even lowly production targets.

The added incentive is caused by the presence of the Japanese in Britain. By 1991 Nissan will be making 100,000 Bluebirds at its Sunderland plant.

Rivals already estimate Nissan can make cars for up to $750 less than they can. That isn't hard to believe when it's realized that Vauxhall has yet to curb absenteeism of 12 percent, while Nissan claims only 2 percent.

In a plant that will make engines, stamp body panels, make plastic moldings and assemble cars, Nissan will employ up to 2,700 people and produce up to 100,000 vehicles annually.

Vauxhall does little more than assemble 220,000 cars a year with more than 9,000 workers.

Vauxhall may not be alone with these problems. But it is easy to see why it is cutting its workforce by 1,000 and is hoping for a 25-percent reduction in costs over the next three years.

GM chiefs may want concrete evidence of cost-cutting before handing over the $150 million needed to relieve production bottlenecks and allow output to rise to 280,000 cars a year.

Opel is no disinterested bystander in all this, since it means its West German plants and affiliates will ship fewer cars to Britain. Indeed, Vauxhall will export 10,000 cars this year.

On top of that, setting up GM Passenger Cars-Europe headquarters in Zurich is expected to result in component contracts being taken away from Opel's traditional suppliers and spread around the rest of Europe — including Britain — with the aim of saving money. ■

WORLD NEWS BRIEFS

Taiwan buys from Scania

Scania Division, Saab-Scania AB, Sweden, receives an order for about 100 bus chassis from Taiwan. Manufactured by Scania-Bussar, Katrineholm, Sweden, the chassis will be delivered during 1987, with coachwork to be installed locally. The buses will be run on intercity routes by several Taiwanese operators.

Reliant reports loss

Reliant Motor P.l.c., Great Britain, returns to profitability in the second half of its fiscal year ended Sept. 30, but reports a loss for the full year. The producer of the Scimitar sports car and Rialto three-wheel vehicle earned the equivalent of $36,480 before taxes in the last half. Reliant finishes $260,000 in the red for the year compared to a $986,500 loss the previous year.

Perkins catches DROPS

Perkins Engines receives a $15.2 million order from the British Army for more than 2,000 Eagle MX diesel engines for a new breed of ammunition-carrying vehicles known as DROPS. The engines will be installed in Foden and Scammell trucks, with deliveries expected to begin in 1988.

Rover sells parts company

British government-owned Rover Group sells 78.33 percent of Unipart, its car parts and accessories company, to a consortium of management and institutional investors led by Charterhouse Bank. Unipart's 4,000 employees will be able to buy 12 percent of the company's ordinary shares under the agreement. Rover Group received $45.6 million in cash immediately from the consortium. It will be paid an additional $22.8 million if Unipart achieves an undisclosed profit level, and another $10.6 million if and when the partsmaker sells stock publicly.

Car sales in South Africa

	1985 Sales	1985 Sales
Alfa Romeo/Daihatsu/Fiat	—	6,435
BMW	13,113	12,928
General Motors	13,954	18,973
Mercedes-Benz/Honda	19,468	21,842
Nissan	13,643	13,870
Renault	2,387	9,719
Samcor	36,116	42,188
Toyota	45,384	48,852
Volkswagen	30,314	29,341
Others	74	174
Total	174,453	204,322

Note: Alfa, Daihatsu, Fiat, Renault and Peugeot ceased production in 1985

Hungary for used cars

A Hungarian company is formed under government auspices to import up to 1,500 used Volkswagen, Audi, Ford and Opel cars from West Germany. The decision to import second-hand cars is prompted by a car shortage in Hungary caused by the increasing amount of Soviet Lada and Czechoslovakian Skoda production being sold in Western countries. Hungary will buy cars up to three years old and with no more than 50,000 kilometers, using a combination of hard currency and Hungarian forints. Deliveries begin this spring.

DAF profits climb

DAF Trucks, the Netherlands, reports a 62-percent increase in profits in 1986 to $15.6 million, the company's best year since 1980. DAF, which posted a $12.6-million loss in 1983, cites 1986 deliveries of 16,003 vehicles, 13 percent higher than 1985.

Cosworth names directors

Cosworth Engineering, the United Kingdom, appoints two new directors, Michael Hall and Richard Scammell. Hall is in charge of designing production engines, including the Mercedes 2.3-liter 16-valve powerplant and Sierra Cosworth engine. Scammell heads Cosworth's motorsports division.

Bridgestone sets up sub

Bridgestone Corp. establishes a French sales and marketing subsidiary, Bridgestone France S.A.R.L. Headquartered in Les Ulis, Bridgestone France is responsible for selling and distributing Bridgestone car, light truck, truck, motorcycle and off-road tires through an independent dealer network in France. Previously, Bridgestone tires were sold through the *Bureau de Marketing et Services S.A.R.L.*, a subsidiary of Mitsui & Co. Europe SA. In December, Bridgestone Corp. bought 80 percent of the *Bureau de Marketing et Services*. The remaining 20 percent is owned by Mitsui.

Bosch big on ABS

Robert Bosch GmbH, West German auto parts giant, will spend 220 million deutschemarks to build a new plant in Ansbach, West Germany, for production of anti-lock braking system components. Bosch, which introduced anti-lock braking in 1978, plans to produce 1.1 million ABS units in 1987, up from 600,000 last year.

Hertz buys heaps of Fords

Hertz of the United Kingdom places an order for 11,000 Ford cars to be delivered in 1987. The buy accounts for about 65 percent of the Hertz subsidiary's 1987 orders, and represents some $100 million at retail prices.

AEM makes Scout

A new British firm, Automotive Engineering and Manufacturing, is formed to produce a Mini-Moke replica called the Scout. AEM gets financial backing from the Welsh Development Agency to build the open-top four-seater — with Austin Rover 998cc engine and Austin Mini transmission — at a factory in South Wales. Production is due to start early this year at the rate of 30 a month, with 24 employees.

Croma beats out Omega

Fiat Croma is voted 1986 Imported Car of the Year by Spanish auto journalists. It edges out Opel Omega, European Car of the Year, in the annual competition organized by Cadena Catalana Radio in conjunction with *Federacion Catalana De Automovilismo* and the mayor of Barcelona.

Car sales in Norway

	1986	1985
Alfa Romeo	212	223
Audi/VW	16,382	18,602
BMW	4,405	3,947
Citroen	3,133	2,688
Daihatsu	1,626	1,443
Dodge	32	5
Fiat	6,630	6,197
Ford	25,041	23,299
Honda	4,682	3,731
Isuzu	97	150
Jaguar	60	43
Jeep	11	2
Lada	2,766	2,754
Lancia	500	81
Mazda	12,695	14,046
Mercedes-Benz	4,112	2,911
Mitsubishi	5,968	5,158
Nissan	10,213	9,787
Opel	19,914	22,004
Peugeot/Talbot	6,747	5,349
Porsche	26	4
Renault	1,199	1,104
Saab	3,055	2,599
Skoda	452	605
Subaru	3,133	2,574
Suzuki	982	244
Toyota	19,224	17,062
Volvo	13,790	12,380
Total	167,352	159,079

HYUNDAI

Continued from page 33

Yet there is nothing about the Ulsan plant that is technologically state-of-the-art. Machine tools, material handling systems and production technology are just like the cars they make — utilitarian products of well-proven technology.

Indeed, it is significant that Hyundai managers decided to transfer all production of export model Excel subcompacts to old parts of the Ulsan plant. The newly completed 300,000 vehicle-a-year factory is used for production of Pony subcompacts and Stellar and Grandeur compacts for the Korean market.

Hyundai managers privately admit they are still on a steep technological learning curve, and are not prepared to take risks with the most prestigious products they make.

As a result, there is no wizardry at Ulsan. It is basically a collection of unspectacular production equipment handled by exceptionally disciplined and dedicated workers. The Japanese-trained production engineers squeeze the most out of their machines and the production staff is motivated to work hard.

The really distinctive aspect of Hyundai's rapid success lies in the sense of national purpose behind the project. The Hyundai group of companies accounts for 5 percent of the gross national product of Korea. The decision of its founder, 71-year-old Chung Ju-Yung, to make it big in autos is backed by an extremely nationalistic political and business community. On a local level, Hyundai firms support around two-thirds of Ulsan's 600,000 people.

Hyundai Motor buys its steel from Pohang Iron and Steel Co., just up the coast from Ulsan, and its paint and much of its aluminum from Hyundai subsidiaries.

The Hyundai shipyard made the 10 car carriers — with a capacity ranging from 1,200 to 4,800 cars each — which ship Excels to five ports in North America.

Critics wonder whether that fierce independence is the best course. Some speculate that the strategy of Korea's two other major automakers — Daewoo Motor Co. Ltd. and Kia Motors Corp. — to rely more heavily on their multinational partner — General Motors and Ford Motor Co., respectively — might not finally prove more effective.

Perhaps. But in the short term Hyundai is gearing up to boost 1987 output 43 percent over 1986. Few doubt they will meet the production target of 600,000 vehicles.

It's all causing plenty of late nights for Hyundai Motor's 4,500 marketing and administrative staff people based in Seoul, and its export managers around the world.

It may also explain why workers at Ulsan have set up fish tanks throughout the factory to provide a calming influence in their frenetic workplace. ■

OVERSEAS PRODUCTION

FRANCE

Cars

	11 mos. 1986	11 mos. 1985
Peugeot SA	1,343,668	1,199,149
Citroen	477,541	441,657
Peugeot/Talbot	866,127	757,492
Renault	1,187,408	1,223,336
Total	2,531,076	2,422,485

Vans, Trucks, Buses

CBM	43	52
Heuliez	152	0
Iveco-Unic	73	96
Peugeot SA	139,434	158,219
Citroen	62,316	67,669
Peugeot/Talbot	77,118	85,550
Renault	244,645	194,511
Sovam	76	80
Total	384,423	347,958
Total Vehicles	2,915,499	2,770,443

UNITED KINGDOM

Cars

	10 mos. 1986	10 mos. 1985
Carbodies	1,837	1,498
Ford	283,433	266,770
Jaguar	33,905	32,093
Lotus	564	696
Panther	216	95
Reliant	244	721
Rolls-Royce	2,130	2,060
Rover Group	337,973	402,020
Austin Rover	325,987	390,716
Range Rover	11,986	11,313
TVR	451	391
Vauxhall	133,553	127,156
Others	495	511
Total	844,203	886,503

Vans, Trucks, Buses

Bedford	42,272	53,150
ERF	1,591	1,706
Foden	420	579
Ford	77,505	92,596
Hestair-Dennis	568	717
Iveco-Ford	4,196	0
Metro-Cammell Weymann	233	383
Reliant	21	50
Renault TI	3,506	4,422
Rover Group	58,413	76,615
Austin Rover	15,422	21,518
Freight Rover	15,457	16,129
Land Rover	17,920	25,770
Leyland	9,614	13,198
Seddon Atkinson	1,349	1,428
Others	138	157
Total	190,212	231,798
Total Vehicles	1,034,420	1,118,301

JAPAN

Cars

	11 mos. 1986	11 mos. 1985
Daihatsu	135,461	150,266
Fuji	260,749	232,826
Honda	935,733	866,027
Isuzu	195,703	194,301
Mazda	744,427	740,488
Mitsubishi	536,419	518,104
Nissan	1,635,539	1,711,891
Suzuki	275,206	215,515
Toyota	2,472,979	2,370,165
Total	7,182,216	6,999,583

Vans, Trucks, Buses

Daihatsu	423,932	384,123
Fuji	307,375	298,006
Hino	51,050	63,209
Honda	194,451	146,922
Isuzu	318,625	345,240
Mazda	359,549	347,955
Mitsubishi	548,666	532,772
Nissan	438,345	589,459
Nissan Diesel	29,761	33,549
Suzuki	524,426	497,152
Toyota	896,734	1,016,080
Others	675	847
Total	4,093,589	4,255,314
Total Vehicles	11,275,805	11,254,897

OVERSEAS REGISTRATIONS

AUSTRIA

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	2,287	2,089
BMW	7,287	7,232
Daihatsu	1,297	789
Fiat Auto	15,045	13,596
Ford	25,418	24,038
GM-Opel	31,333	32,138
Honda	5,536	4,748
Jaguar	126	132
Lada	1,732	1,626
Mazda	22,116	20,746
Mercedes-Benz	10,144	8,864
Mitsubishi	5,447	4,890
Nissan	12,822	12,025
Peugeot SA	16,830	15,647
Citroen	6,276	6,619
Peugeot/Talbot	10,554	9,028
Porsche	464	451
Renault	12,108	10,168
Rover Group	247	329
Saab	465	342
Skoda	992	1,161
Subaru	3,835	3,435
Suzuki	1,613	1,278
Toyota	15,149	12,204
VW Group	56,250	52,267
Volkswagen	44,123	41,104
Audi	10,641	9,962
Seat	1,486	1,201
Volvo	3,663	3,433
Others	118	81
Total	252,324	233,759

WEST GERMANY

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	6,703	7,926
BMW	147,826	144,262
Bertone	364	390
Daihatsu	11,970	8,639
Fiat Auto	124,692	102,558
Ford	297,007	255,035
GM-Opel	421,339	367,838
Honda	45,881	37,332
Isuzu	5,692	4,219
Jaguar	1,793	2,350
Lada	10,807	8,306
Mazda	86,172	66,863
Mercedes-Benz	303,044	273,528
Mitsubishi	62,909	45,182
Nissan	82,686	63,253
Peugeot SA	132,945	97,949
Citroen	46,655	37,038
Peugeot/Talbot	86,290	60,911
Porsche	10,469	11,394
Renault/AMC	91,569	76,737
Rover Group	13,056	7,086
Saab	4,698	3,240
Skoda	3,380	2,484
Subaru	15,832	11,278
Suzuki	22,880	18,429
Toyota	91,740	61,182
VW Group	815,122	684,340
Volkswagen	658,752	549,736
Audi	150,901	130,242
Seat	5,469	4,362
Volvo	17,325	14,226
Others	1,350	2,300
Total	2,829,438	2,379,261

SWITZERLAND

CARS

	11 mos. 1986	11 mos. 1985
Alfa Romeo	6,103	5,735
BMW	8,443	10,116
Bertone	205	180
Daihatsu	913	1,062
DeTomaso/ Maserati	154	180
Fiat Auto	22,204	19,149
Ferrari	275	199
Fiat	17,724	15,328
Lancia	4,205	3,622
Ford	21,953	19,838
GM-Opel	34,494	33,575
Honda	7,254	7,197
Isuzu	681	598
Jaguar	328	395
Lada	220	0
Mazda	8,408	6,861
Mercedes-Benz	8,166	6,650
Mitsubishi	7,377	7,640
Nissan	9,159	9,928
Peugeot SA	23,186	20,875
Citroen	7,864	7,835
Peugeot/Talbot	15,322	13,040
Porsche	1,498	1,319
Puch	86	110
Renault	14,436	15,655
Rover Group	1,916	2,206
Saab	1,537	1,230
Skoda	104	91
Subaru	10,038	9,847
Suzuki	3,301	3,376
Toyota	21,026	16,793
VW Group	44,357	43,907
Volkswagen	30,050	28,660
Audi	11,374	13,241
Seat	2,933	2,006
Volvo	4,845	4,820
Others	537	851
Total	262,929	250,184

UNITED KINGDOM

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	2,233	3,093
BMW	35,898	33,450
Daihatsu	5,345	4,567
Fiat Auto	65,115	57,537
Fiat	61,729	54,460
Lancia	3,386	3,077
Ford	515,367	485,620
FSO	4,553	6,158
GM-Vauxhall	284,517	303,473
Honda	20,499	18,984
Hyundai	7,495	5,159
Jaguar	7,579	8,049
Lada	20,312	15,314
Lotus	447	554
Mazda	17,982	17,172
Mercedes-Benz	19,987	18,086
Mitsubishi	11,811	11,208
Nissan	109,914	105,517
Panther	67	54
Peugeot SA	121,094	101,314
Citroen	34,427	27,479
Peugeot/Talbot	86,667	73,835
Porsche	3,705	3,438
Renault	69,261	70,622
Rolls-Royce	808	700
Rover Group	297,466	327,955
Austin Rover	293,240	324,574
Range Rover	4,226	3,381
Saab	10,331	8,375
Skoda	12,775	9,884
Subaru	3,974	3,815
Suzuki	4,288	3,950
Toyota	35,802	34,722
VW-Audi	109,237	103,877
Volvo	68,972	59,549
Zastava	8,525	7,953
Others	4,595	4,276
Total	1,882,474	1,832,027

JAPAN

Cars

	11 mos. 1986	11 mos. 1985
Daihatsu	82,433	90,298
Fuji	65,489	72,060
Honda	270,927	264,281
Isuzu	55,165	41,738
Mazda	179,333	173,903
Mitsubishi	132,305	153,336
Nissan	706,823	724,612
Suzuki	59,456	63,740
Toyota	1,278,230	1,214,556
Imports (all)	60,628	45,267
Cars total	2,890,789	2,843,801

Vans, trucks, buses

Daihatsu	355,811	311,636
Fuji	209,776	204,112
Hino	35,577	36,179
Honda	183,689	138,807
Isuzu	106,973	112,275
Mazda	147,389	144,047
Mitsubishi	330,424	323,237
Nissan	229,315	247,064
Nissan Diesel	19,761	19,421
Suzuki	389,283	379,686
Toyota	340,524	329,559
Imports (all)	155	158
Total	2,348,677	2,246,180
Total Vehicles	5,239,466	5,089,981

DENMARK

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	532	458
BMW	3,527	3,650
Dacia	319	745
Daihatsu	3,340	2,816
Fiat Auto	8,405	7,461
Ford	20,313	23,576
FSO	1,221	1,814
GM-Opel	27,072	26,268
Honda	3,283	1,863
Hope Whisper	1	0
Isuzu	3	7
Jaguar	32	34
Lada	4,308	3,617
London Taxi	2	0
Maserati	1	0
Mazda	17,281	14,129
Mercedes-Benz	1,573	1,132
Mitsubishi	4,060	2,768
Morgan	1	0
Nissan	9,831	7,914
Peugeot SA	13,030	9,808
Citroen	8,146	6,671
Peugeot/Talbot	4,884	3,137
Porsche	24	0
Renault	856	1,255
Rolls-Royce	1	0
Rover Group	308	302
Saab	1,651	1,774
Skoda	3,627	4,001
Subaru	638	307
Suzuki	325	509
Toyota	20,656	19,759
VW Group	14,644	12,109
Volkswagen	12,580	10,511
Audi	963	916
Seat	1,101	682
Volvo	6,433	6,328
Wartburg	763	1,192
Zastava	1,261	1,739
Total	169,386	157,474

SWEDEN

Cars

	12 mos. 1986	12 mos. 1985
Alfa Romeo	1,287	1,148
BMW	4,455	4,429
Daihatsu	1,574	1,498
Fiat Auto	6,772	7,192
Ford	29,776	28,571
GM-Opel	24,239	26,770
Honda	3,977	3,518
Lada	1,784	1,586
Mazda	12,620	12,018
Mercedes-Benz	7,878	10,271
Mitsubishi	2,335	2,485
Nissan	14,876	8,363
Peugeot SA	7,552	7,108
Citroen	2,994	3,101
Peugeot/Talbot	4,558	4,007
Porsche	460	455
Renault	3,462	2,680
Saab	29,514	27,352
Skoda	170	332
Subaru	1,489	1,552
Suzuki	1,116	611
Toyota	18,039	12,305
VW Group	30,958	31,540
Volkswagen	20,097	20,123
Audi	10,861	11,417
Volvo	64,307	71,135
Others	203	111
Total	268,794	263,033

AUCTION DATES

American Motors

Feb. 24 — Statesville Auto Auction, Statesville, N.C.

Feb. 25 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Chrysler Corp.

Feb. 24 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas.

Feb. 25 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Sand Mountain, Ala.; and South Seattle Auto Auction, Kent, Wash.

Ford Motor Co.

Feb. 24 — South Seattle Auto Auction, Kent, Wash.

Feb. 25 — Columbus Fair Auto Auction, Obetz, Ohio; Concord Auto Auction, Acton, Mass.; Clanton's Auto Auction, Darlington, S.C.; and Brasher's Southern California Auto Auction, Fontana, Calif.

General Motors

Feb. 24 — Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 25 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Golden Gate Auto Auction, Fremont, Calif.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Used Car Sales
Auction Averages

February to date 1987	$5,711
Month ago	$5,891
Year ago	$4,797

Model Breakdown
Auction Averages

	FEB 1987	JAN 1987	DEC 1986
1987	$13,085	$13,158	$ 00
1986	$10,190	$11,481	$11,149
1985	$7,471	$7,054	$8,144
1984	$5,984	$5,811	$6,142
1983	$4,850	$4,995	$5,386
1982	$3,675	$3,599	$4,141
1981	$2,550	$2,614	$3,177
1980	$2,097	$1,997	$2,349
Overall Average	$5,711	$5,129	$5,181

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4th High	500
5th High	250
6th High	250
Early Bird Drawing	Color TV

March 31st Tuesday $5,000.00 300 Cars	
High Buyer	2,000
2nd High	1,000
3rd High	750
4th High	500
5th High	250
6th High	250
Early Bird Drawing	Color TV

April 28th Tuesday $5,000.00 300 Cars	
High Buyer	2,000
2nd High	1,000
3rd High	750
4th High	500
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PRODUCTION

Millionth car trails '86

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers built their one-millionth car of the year last Monday (Feb. 16), four days behind the pace of 1986.

So far this year, 1,157,256 cars have been assembled, 9.53 percent below the 1,279,102 completed last year at this point.

Last week's targeted production of 168,887 cars was 4.08 percent below the previous week's 176,062 and 4.08 percent below the year-ago week's 176,065.

Companies split last week's scheduled production as follows: General Motors, 51.92 percent; Ford Motor Co., 25.89 percent; Chrysler Motors, 13.44 percent; Honda of America Manufacturing Inc., 4.19 percent; New United Motor Manufacturing Inc., 2.37 percent; Nissan Motor Manufacturing Co. U.S.A., 1.73 percent; and American Motors, 0.46 percent.

Volkswagen of America's plant in Westmoreland, Pa., was down last week for installation of new parts. The plant resumes output today (Feb. 23).

GM has further increased its number of indefinite layoffs by 3,500, to 37,000. Of the latest layoffs, 2,000 are at the Leeds, Mo., plant. That cutback was announced previously announced by GM.

The other 1,500 are a result of previously reported scheduled adjustments at various GM assembly and components plants.

GM has extended the downtime at the Arlington, Texas, plant. The plant has been down since early January for installation of paint equipment and is not expected to resume output until March 2.

GM's Linden, N.J., and Wilmington, Del., plants were slated for Saturday (Feb. 21) overtime.

Ford scheduled Saturday overtime at its Chicago and Dearborn, Mich., plants.

Daily overtime is slated at all Ford car plants this week.

Saturday overtime was scheduled for the following Chrysler plants: Newark, Del.; Sterling Heights, Mich.; St. Louis (No. 1); and Belvidere, Ill.

Daily overtime is slated this week at Chrysler's Sterling Heights and Newark plants.

Truck output retains 1987 lead

U.S. truck production is maintaining a slim lead over the 1986 year-to-date total.

So far this year, 544,187 trucks have been assembled, 2.92 percent more than the 528,734 built last year at this point.

Last week's estimated production of 77,625 was 4.81 percent below the previous week's 81,544 but 5.83 percent more than the year-ago week's 73,349.

General Motors slated Saturday (Feb. 21) overtime at its Baltimore plant.

Ford Motor Co., scheduled Saturday overtime at three plants: Wayne, Mich.; Kansas City, Mo.; and St. Louis.

All Ford plants are slated for daily overtime this week (Feb. 23).

Chrysler Motors' Warren, Mich., plant is scheduled for daily overtime this week.

Car production slips in Canada

Last week's scheduled Canadian auto production of 21,024 was 2.75 percent below the previous week's 21,619 and 7.87 percent below the year-ago week's 22,819.

Year-to-date, 137,231 cars have been built, 9.51 percent below the 151,658 completed last year at this point.

Estimated truck production of 18,215 units last week was 8.47 percent more than the previous week's 16,792 but 5.01 percent below the year-ago week's 19,175.

So far this year, 113,413 trucks have been assembled, 18.33 percent below the 138,871 built last year at this time.

CANADIAN CAR	Week Ended Feb. 21, 1987	Week Ended Feb. 22, 1986	Week Ended Feb. 14, 1987	Feb. to Date	Jan. 1 to Feb. 22, 1986	Jan. 1 to Feb. 21, 1987
AMERICAN MOTORS	150	0	154	455	1,200	1,060
FORD MOTOR	11,645	11,161	11,405	34,009	82,882	78,058
GENERAL MOTORS	8,899	11,478	9,706	27,107	65,984	55,754
HONDA	150	0	129	405	0	784
VOLVO	180	180	225	652	1,592	1,575
Total Cars, Canada	21,024	22,819	21,619	62,628	151,658	137,231

U.S. TRUCK☆	Week Ended Feb. 21, 1987	Week Ended Feb. 22, 1986	Week Ended Feb. 14, 1987	Feb. to Date	Jan. 1 to Feb. 22, 1986	Jan. 1 to Feb. 21, 1987
CHEVROLET	22,567	25,987	24,898	69,946	185,226	159,447
DODGE	5,000	0	5,362	15,635	0	33,524
FORD	31,640	30,427	33,077	97,523	216,827	226,716
GMC	8,226	7,261	7,942	24,013	55,574	54,005
NAVISTAR	1,612	1,499	1,613	4,505	10,932	10,711
JEEP	4,500	3,716	4,543	13,560	35,271	31,396
NISSAN	1,730	2,009	1,759	5,122	7,932	11,938
AM GENERAL*	50	50	50	150	372	350
MISCELLANEOUS*	2,300	2,400	2,300	6,900	16,600	16,100
Total Trucks, U.S.	77,625	73,349	81,544	237,354	528,734	544,187

CANADIAN TRUCK	Week Ended Feb. 21, 1987	Week Ended Feb. 22, 1986	Week Ended Feb. 14, 1987	Feb. to Date	Jan. 1 to Feb. 22, 1986	Jan. 1 to Feb. 21, 1987
AMERICAN MOTORS	625	0	635	1,902	0	4,370
CHRYSLER	8,964	9,198	9,279	27,567	66,566	62,175
FORD	3,648	3,399	3,404	10,237	25,963	23,165
GENERAL MOTORS	4,760	6,368	3,280	10,836	45,060	22,315
NAVISTAR	198	210	194	588	1,282	1,388
Total Trucks, Canada	18,215	19,175	16,792	51,130	138,871	113,413
N. American Trucks	95,840	92,524	98,336	286,484	667,605	657,600

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Feb. 21, 1987	Week Ended Feb. 22, 1986	Week Ended Feb. 14, 1987	Feb. to Date	Jan. 1 to Feb. 22, 1986	Jan. 1 to Feb. 21, 1987
AMERICAN MOTORS	775	1,779	800	2,262	5,073	5,353
Renault Total	775	1,779	800	2,262	5,073	5,353
Alliance	775	1,646	800	2,262	4,328	5,353
Encore	0	133	0	0	745	0
CHRYSLER MOTORS	22,700	31,138	26,475	76,734	226,326	178,329
Plymouth Total	9,200	8,204	9,913	30,007	62,902	66,724
Horizon	3,300	2,984	3,482	10,798	22,945	25,856
Sundance	2,000	0	2,120	6,535	0	15,259
Reliant	2,700	3,423	2,736	8,633	28,465	18,937
Caravelle	1,200	1,482	1,575	4,041	9,570	8,672
Gran Fury	0	315	0	0	1,922	0
Chrysler Total	5,000	11,907	6,697	17,961	69,837	39,743
Laser	0	1,120	0	0	7,879	0
LeBaron K	1,700	2,672	1,843	5,638	20,506	12,108
LeBaron J	1,000	0	2,034	4,588	0	10,255
LeBaron GTS	800	2,688	875	2,669	18,075	5,543
New Yorker/E-Class	1,500	1,723	1,945	5,086	11,456	11,837
Fifth Avenue	0	3,704	0	0	25,921	0
Dodge Total	8,500	11,027	9,865	28,746	79,687	69,862
Daytona	700	1,040	1,028	2,509	7,615	5,280
Omni	2,800	3,188	3,004	9,216	23,335	12,273
Shadow	1,800	0	1,950	5,963	0	13,964
Aries	2,000	2,840	2,313	6,788	19,143	16,696
Dodge 600	800	1,736	1,080	2,834	12,309	7,492
Lancer	400	1,774	490	1,436	13,888	4,074
Diplomat	0	449	0	0	3,397	0
FORD MOTOR	43,725	37,788	44,232	131,815	259,899	301,063
Ford Division	30,419	25,674	30,162	90,568	176,096	205,644
Escort	7,729	8,724	7,821	23,192	59,593	52,750
Mustang	5,240	4,271	4,526	15,000	30,150	33,181
Tempo	4,229	4,090	4,210	12,472	31,486	28,858
Taurus	10,504	4,908	10,469	31,338	28,006	71,556
Thunderbird	2,717	3,681	3,136	8,586	26,861	19,299
L-M Division	13,303	12,114	14,070	41,227	83,803	95,419
Mercury Total	10,158	7,849	10,827	31,135	55,662	69,611
Lynx	1,556	1,385	1,557	4,618	10,833	9,580
Capri	0	289	0	0	2,947	0
Topaz	1,259	1,301	1,316	3,881	10,411	9,283
Cougar	4,047	2,467	4,716	12,840	17,720	28,867
Sable	3,296	2,407	3,238	9,796	13,751	21,881
Lincoln Total	3,145	4,265	3,243	10,092	28,141	25,808
Continental	314	480	326	1,010	3,264	2,587
Lincoln	2,359	3,199	2,430	7,566	21,115	19,352
Mark VII	472	586	487	1,516	3,762	3,869
GENERAL MOTORS	87,695	94,939	89,103	265,990	715,805	564,501
Buick Total	12,673	13,967	14,673	40,644	113,988	96,070
Skyhawk	895	1,764	1,627	3,190	13,406	7,284
Century	4,375	3,798	4,371	13,084	37,442	29,681
Regal	1,142	715	1,006	3,350	5,614	7,023
Somerset/Skylark	884	1,641	1,705	4,449	14,815	13,346
LeSabre (fwd)	2,258	2,345	2,590	6,619	13,208	15,175
LeSabre/Electra (rwd)	221	282	456	1,142	1,762	3,727
Electra(fwd)	2,534	2,989	2,545	7,704	24,666	15,542
Riviera	364	433	373	1,106	3,075	4,292
Cadillac Total	7,499	5,820	6,779	20,814	44,935	49,790
Cimarron	424	454	448	1,121	3,222	3,284
Allante	45	0	55	152	0	319
Brougham (rwd)	2,340	2,022	1,706	5,810	10,768	12,347
DeVille (fwd)	4,000	2,607	3,877	11,656	26,070	25,599
Eldorado	333	429	335	933	2,859	2,721
Seville	357	308	358	1,142	2,016	5,530
Chevrolet Total	34,865	30,243	32,607	102,614	243,882	203,671
Chevette	0	2,640	0	0	19,372	0
Camaro	2,600	5,065	2,889	8,352	36,745	14,474
Cavalier	8,900	9,406	8,190	24,798	70,364	52,350
Celebrity	8,300	5,986	8,285	24,912	45,725	57,444
Corsica/Beretta	7,615	0	5,467	21,774	0	37,304
Monte Carlo	1,610	2,330	1,537	4,852	19,037	8,559
Chevrolet	5,200	3,818	5,589	15,986	50,614	29,015
Corvette	640	998	650	1,940	2,025	4,525
Oldsmobile Total	15,986	26,170	17,672	51,173	182,852	108,115
Firenza	310	999	862	1,521	7,618	3,856
Calais	1,516	3,088	3,087	7,570	23,775	17,867
Cutlass Ciera	4,697	6,337	4,884	14,318	51,773	30,274
Cutlass Supreme	1,270	5,409	1,317	3,700	33,950	4,409
88 (fwd)	5,440	6,967	4,768	15,812	37,094	32,865
88 (rwd)	405	475	374	1,225	4,267	2,927
Olds 98	2,078	2,594	2,115	6,225	22,420	12,789
Toronado	270	301	265	802	1,955	3,128
Pontiac Total	16,672	18,739	17,372	50,745	130,148	106,855
Acadian*	0	325	0	0	1,882	0
Fiero	1,100	2,409	726	2,798	11,928	4,294
1000	0	811	0	0	5,159	0
Firebird	2,589	2,697	2,556	7,665	19,575	12,343
2000 Sunbird	2,684	2,820	2,649	8,050	21,298	16,536
Grand Am	5,280	4,397	6,214	16,805	32,048	37,810
6000	1,670	3,518	1,624	4,922	23,100	11,853
Bonneville	3,150	0	3,185	9,423	0	22,284
Safari/Parisienne	199	1,762	418	1,082	15,058	1,733
HONDA	7,075	3,669	6,519	20,840	27,621	49,191
Civic	2,384	0	2,595	7,782	0	20,576
Accord	4,691	3,669	3,923	13,058	27,621	28,615
NISSAN	2,920	1,801	2,864	8,673	14,287	20,395
NUMMI	4,000	2,970	4,057	12,192	17,980	28,480
Corolla	750	0	809	2,397	0	5,791
Nova	3,250	2,970	3,248	9,795	17,980	22,689
VOLKSWAGEN	0	1,981	2,013	4,016	12,111	9,944
Golf/GTI	0	1,981	1,763	3,516	12,111	8,694
Jetta	0	0	250	500	0	1,250
Total Cars, U.S.	168,887	176,065	176,082	522,522	1,279,102	1,157,256
Total Cars, Canada	21,024	22,819	21,619	62,628	151,658	137,231
N. American Cars	189,911	198,884	197,681	585,150	1,430,760	1,294,487
N. American Trucks	95,840	92,524	98,336	286,484	667,605	657,600
North American Cars and Trucks	285,751	291,408	296,017	873,634	2,098,365	1,952,087

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

OUTPUT

FROM PAGE 1

schedule is just too heavy, he said.

All domestic makers except Honda of America Manufacturing Inc. and Nissan Motor Manufacturing Co. U.S.A. reported second-quarter estimates that are lower than 1986 production.

Ford expects to build about 433,000 cars during the second quarter down 12.87 percent from 496,955 in 1986.

Healy believes that Ford's forecast may be a bit light and the company may end up adding some cars to the total.

Beale commented, "Ford's first quarter is very strong from year to year so it's not really a surprise that the schedule is weaker in the second quarter. It is a part of their marketing strategy and so by the end of the first half they should come out about even."

Chrysler Motors' scheduled 279,000 units in the second quarter, 20.78 percent below the 352,168 it built in 1986.

Chrysler's Belvidere, Ill., plant will be down for retooling during the second quarter, knocking out the sole source of Omni and Horizon, and its St. Louis (No. 2) plant will be assembling the Caravan and Voyager mini-vans instead of the Gran Fury, Diplomat and Fifth Avenue. The minivans are counted as trucks, not cars.

Gran Fury, Diplomat and Fifth Avenue will be moved to American Motors' Kenosha, Wis., plant, which will not be producing at full capacity in the second quarter.

AMC's estimated second quarter output of 9,850 cars is 38.59 percent below the 16,040 assembled during the same period of 1986.

New United Motor Manufacturing Inc. plans to build about 52,000 cars at its plant in Fremont, Calif., 5.66 percent below the 55,121 it assembled in the second quarter of last year.

Honda scheduled 84,455 cars during the second quarter, 62.82 percent more than the 51,871 built in 1986. The increase is due primarily to the addition of a second line at Marysville, Ohio, that assembles Civic as well as Accord.

Nissan plans to build 36,256 cars at its Smyrna, Tenn., plant during the second quarter. The plant was down for model changeover during the second quarter of 1986.

Volkswagen of America's output at Westmoreland, Pa., is estimated at 24,800 for the second quarter, down 3.60 percent from 25,726 last year.

Fix of Chrysler plant includes paint dept.

Chrysler Motors is expected to begin construction within the next month on a paint facility at its Jefferson Avenue assembly plant in Detroit.

The construction is the beginning of Chrysler's $1 billion renovation of the plant, which is expected to be completed by the summer of 1991.

The paint facility will be used as part of the existing plant until completion of the new complex.

The Detroit City Council last week unanimously approved plans for the project.

Casco gets Ford contract

BRIDGEPORT, Conn. — Casco Products here has signed to be sole supplier of cigarette lighters for Ford Motor Co. vehicles through model year 1992.

Automotive News®

March 2, 1987

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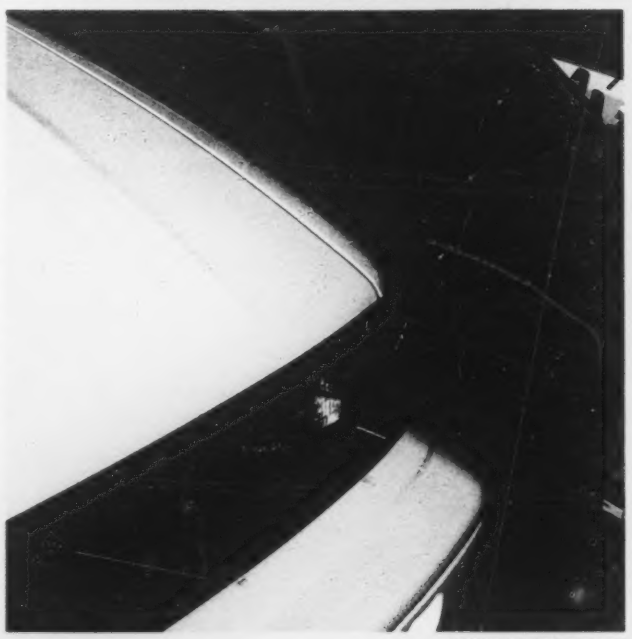
ANNUAL CAR-TRUCK SALES PER OUTLET

Make	1986	1985
1. Hyundai	1431	—
2. Toyota	947	874
3. Mitsubishi	791	920
4. Honda	716	640
5. Nissan	697	751
6. Suzuki	589	53
7. Ford	585	565
8. Chevrolet	556	586
9. Mazda	494	429
10. Acura	352	—
11. Oldsmobile	334	334
12. Dodge	316	297
13. Pontiac	283	265
14. Volvo	276	257
15. Buick	260	285
16. Volkswagen	247	246
17. Isuzu	236	199
17. Mercedes	236	207
19. Subaru	226	219
19. BMW	226	204
21. Cadillac	188	185
22. Mercury	170	189
23. Plymouth	157	146
24. AMC	152	133
25. Audi	146	182



AUTOMOTIVE NEWS/JOE WILSSENS

Best $eller: *Hyundai shatters sales per dealer mark*

By David Versical and Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTERS

Hyundai Motor America added another chapter to its first-year success story, rewriting the sales-per-outlet record book with a dramatic 1,431 car sales per dealership in 1986 and producing some of the highest profits in history.

Hyundai sold more than twice as many cars per dealer as the next highest-selling make — Honda. Hyundai even exceeded by more than 50 percent the average of the top dealer organization selling both cars and trucks — Toyota.

It was all part of an import surge that claimed the top six places in the annual Automotive News ranking. But Hyundai was far and away the star.

The performance is even more remarkable in light of the fact that the Korean subcompact didn't go on sale in the United States until Feb. 20, 1986.

Perhaps nobody was more surprised by the results than the people at Hyundai. The architect of Hyundai Motor America's U.S. marketing plan, Executive Vice President Max Jamiesson, said he expected Hyundai would need 200 dealers to sell 150,000 cars. As it turned out, Hyundai sold 168,882 in 1986 with a dealer force that grew from 75 in February to just 161 at year end.

They made money, too. Hyundai dealers netted an average of $700,000 in profits last year. One of its volume leaders sold well over 2,000 cars and earned $1.7 million. In an industry where a 3 percent return on sales is considered respectable, Hyundai dealers

see HYUNDAI, page 49

Air-bag Fords lure only 749 retail customers

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co.'s 1987 Tempo/Topaz air-bag option, far from being the marketing bonanza some expected, is facing widespread dealer resistance and consumer disinterest.

The problem reached such proportions that two weeks ago a select group of dealer council members and National Automobile Dealers Association Ford and Lincoln-Mercury line officials met with company officials to discuss ways to improve public acceptance of the air bags.

And the problem was obvious. As of Feb. 20, nearly five months into the 1987 model year, Ford dealers had sold just 455 air-bag-equipped Tempos to retail customers, while L-M dealers had retailed only 294 air-bagged Topaz cars. In the same period, the company sold more than 100,000 non-air-bagged Tempo/Topaz models.

There is a total projected build of 10,000 Tempo and 2,000 Topaz air-bagged units for the 1987 model year.

Of those 12,000, Ford says 7,844 already are accounted for in sales, orders, inventory or in-transit vehicles. To date, 6,195 have been built. Thus the 749 retail deliveries represent 12 percent of production.

In addition to the 749 retail deliveries, there have been 1,642 fleet sales.

Currently, there are 2,833 air-bagged cars sitting unsold in dealer inventory — an amount equal roughly to a 1½-year supply, based on the model-year-to-date selling rate.

The irony is that while the Ford air-bag option seems to be floundering in the marketplace, a recent telephone study conducted on behalf of NHTSA found that the American public is "very aware of and expresses a strong preference for air bags" over passive-belt systems — something different than Ford's sale of air-bagged cars would indicate.

According to a dealer who attended the Dearborn meeting to discuss the air-bag acceptance problem, the management firepower present included Ford and Lincoln-Mercury division general managers; Helen O. Petrauskas, environmental and safety engineering vice president; and Ford President Harold A. Poling.

"They told us about their long-range plans for the air bag," said one dealer who attended the meeting, "but there is no big marketing push coming, and that's what we need."

The dealer said the session included an airing of dealer air-bag concerns, like general safety unsaleability, a too-high $815 manufac-

see AIR BAGS, page 52

Third World 'get rich' deals require caution

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

Nameplate proliferation, while providing a dizzying array of business opportunities for dealers, also has a down side — the potential for costly failures and, even worse, out-and-out misrepresentation.

Dealers intent on finding the next Hyundai could instead find themselves saddled with a successful-sounding franchise that in reality is a dud.

With franchises being offered today from a half-dozen Third World countries — from Romania to Malaysia, from India to Taiwan — it's important to consider what industry experts think are the key issues in such franchise-shopping.

"When evaluating a new franchise, I think you have to look at who is financing the operation," said J. David Power, head of the

see NAMEPLATES, page 24

ASC Inc., Southgate, Mich., will display the Geneve, a Corvette show car

U.S. fights to grab Geneva spotlight

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

GENEVA — The focus of attention at this week's 57th international auto show here could be renewed interest in the European market among U.S. manufacturers.

The decline of the dollar against most European currencies presents new opportunities for U.S. exports. But the more important factor may be that Americans now have things to offer finicky European buyers.

For example, the Chrysler minivan, American Motors' stellar Jeep lineup and the Ford Taurus station wagon could find niches — albeit low volume — in Europe.

American manufacturers are planning to be here in force. Chrysler will reveal some of its marketing plans for Europe; AMC is expected to announce an expansion of its Jeep offerings; and Ford has talked of sell-

see GENEVA, page 52

White House urges repeal of CAFE laws

By Matt DeLorenzo and Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTERS

WASHINGTON — Commerce Secretary Malcolm Baldrige says the Reagan administration proposes to end the Corporate Average Fuel Economy (CAFE) standards as part of its recently announced trade and competitiveness package.

The White House will ask Congress to delete all future passenger-car and light-truck CAFE standards on grounds that they distort the market and pose "special difficulties for U.S. full-line manufacturers," Baldrige said.

"The president has proposed repeal the Corporate Average F Economy standards," Baldrige said in testimony before the Senate Committee on Commerce, Science and Transportation. The committee, chaired by Sen. Ernest F. Holl-

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Audi expects U.S. sales slide — Page 2
Mitsubishi to add U.S. dealers, staff — Page 3
Sales slip 26%; output holds steady — Page 54

36,200 attended last week's SAE show

AUTOMOTIVE NEWS JOE WILSSENS PHOTOS

First time: Australia exhibit at SAE

Petersen sounds warning at SAE

Manufacturing isn't un-American, Ford chairman emphasizes

By Al Fleming and Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — The 1987 SAE International Congress & Exposition at Cobo Hall was a record-smasher in every respect.

According to SAE officials, 36,200 attended the five-day event which ended last Friday, setting a new mark for attendance. The event also set records for number of exhibitors, exhibit space, number of sessions, publication sales and new-member applications.

A full-house annual banquet audience, 5,100 strong, heard Ford Motor Co. Chairman Donald E. Petersen offer engineers a dash of praise and a bit of warning.

Amid applause, he said Detroit has made great strides in recent years in product design, quality and productivity. But, he said, a trend toward acceptance of the notion that manufacturing is un-American is a serious threat.

The show reflected the increasingly global nature of the auto industry. Some 20 percent of the exhibitors were from overseas, and major speeches and press conferences abounded with international topics.

Robert J. Eaton, General Motors vice president and group executive in charge of Technical Staffs, set the tone in his keynote address.

"Competition is no longer national in scope," he said. "Its dimensions are global. Competitive rivalry is no longer just between companies. It's between countries, systems, approaches and outlooks."

Calling for "new perspectives" on the part of U.S. companies, he said, "The United States traditionally has looked inward, while other nations were forced to depend on international commerce for their prosperity and even their survival. Global competitiveness must now be the watchword for our decisions and actions."

Another thing that must change, according to Eaton, is where U.S. companies put their emphasis.

"In America, we glorify the people on the front end of the product cycle — inventors and designers. People involved in manufacturing and productivity don't get the same recognition.

"Our competitors glorify the people who create productivity solutions. They understand the link between productivity and world competitiveness, and the link between competitiveness, jobs and their standard of living."

Eaton called for a "clean sheet of paper approach — not just in the design studio or on the factory floor, but in every office, in every union hall and every government building."

Noting that U.S. management, labor and government have different goals and interests, Eaton said, "Management's ultimate objective is return on stockholders' equity, labor's is jobs and the government's is a rising national standard of living.

"By recognizing the legitimacy of the others' goals, each of the three makes it possible to achieve its own.

"None can succeed alone. None will succeed unless all succeed."

At a press conference, Sir Godfrey Messervy, chairman of Lucas Industries PLC in in Great Britain took the Japanese to task.

He said it would be "very damaging" if the Japanese were permitted to establish new assembly facilities in Europe and the United States "while importing the majority of their higher added-value systems from their associated Japanese suppliers and purchasing locally only low value-added parts."

Sir Godfrey suggested that in order to qualify as "European products, cars made in Japanese-owned factories in Europe should be at least 80 percent European Community content."

He said, "This content should not be measured, as it is today, by ex-factory value, which can include marketing and distribution costs, but by the actual cost of

see SAE, page 53

Mitsubishi to add U.S. dealers, staff

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

FOUNTAIN VALLEY, Calif. — Mitsubishi Motor Sales of America is reorganizing its sales, service and parts operations, expanding its field staff and adding dealers to prepare for the late-1988 opening of a U.S. assembly plant.

But equally important to Mitsubishi is positioning for what it considers to be the key battleground of the late 1980s — being the megadealers' favorite franchise.

The reasoning, as outlined in an interview by Robert Stallsmith, Mitsubishi vice president of sales, is that most manufacturers will be so close in terms of overall quality, design and price by the end of the decade that the biggest differences will be in the dealership networks.

The emergence of the megadealer or multiple-franchise dealer has been a fact of life for Mitsubishi Motor Sales of America since it was established in 1982. About 95 percent of MMSA's 152 dealers have competing-brand franchises.

For Mitsubishi, the goal is to become the biggest, most profitable franchise a megadealer handles so he will give Mitsubishi more attention, Stallsmith said.

"You're fooling yourself if you expect a 10-franchise dealer will personally run your shop," he said. "So we always want to know the general managers, too. And the way to get the best managers a megadealer has is to be his most profitable franchise."

Mitsubishi has worked under the cloud of the export quotas that restricted the availability of cars from Japan, but it chose to keep dealer volumes high rather than push for full national representation.

One key to expansion is the availability of 30,000 more cars a year. This month, Mitsubishi will introduce the Precis (it rhymes with "thesis"), a car assembled by Hyundai.

Precis will be a Mitsubishi-badged version of the Hyundai Excel, which is itself a one-generation-old version of the Mitsubishi Mirage produced by MMSA's Japanese parent, Mitsubishi Motors Corp. The three-door, four-speed-manual base model at $5,195 will match Hyundai's base price.

"Precis allows us to attract the kind of dealer we want for the future when we have U.S. sourcing, not only by giving us more volume, but because we now have an entry-level car," Stallsmith said.

Mitsubishi has added 62 dealers in the past 14 months and expects to have 160 sales points by the end of 1987, he said.

Stallsmith

Lepley

The next stage of dealer growth will coincide with the opening in late 1988 of the Diamond-Star plant in Bloomington, Ill. The joint venture between Chrysler Motors and Mitsubishi Motors Corp. will have capacity to assemble 120,000 cars a year for each partner.

MMSA plans to have 325 dealers by 1990 and sell about 300,000 cars and trucks a year, Stallsmith said. He projected sales of 90,000 imported trucks, 120,000 Diamond-Star cars (roughly half Cordia-class four-doors and half sporty two-doors), 30,000 cars from Korea and 60,000 Japanese imports. The Japanese import figure is up 9 percent from 1986.

MMSA has made several changes to prepare for that growth.

Stallsmith will be working more directly with Diamond-Star. He retains the national sales manager portion of his official title and continues to report to Richard Recchia, MMSA executive vice president and chief operating officer.

Rick Lepley, formerly Eastern regional director, becomes general sales manager, a new post, reporting to Stallsmith.

Lepley will be succeeded as Eastern regional director by Donald Lavin, previously dealer placement manager for the Eastern region. Stallsmith, Lepley and Lavin have been with MMSA since 1982.

Mitsubishi also is reorganizing and adding to its field organization in some unconventional moves that run counter to trends toward centralization and thinning of field staffs.

During the next five months, MMSA will realign district offices so that each has a team of three managers — sales, service and parts — and each serves the same set of 12 or 13 dealers.

That is a substantial reduction in the number of dealers each manager will handle. The policy is part of MMSA's strategy of becoming the megadealer's favorite franchise.

The field reorganization starts this week in San Francisco and Florida regions and will be completed by the fall of 1988.

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61st year—No. 5169

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UAW to step up salaried-worker recruitment

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

The UAW has taken steps to capitalize on what it says is a more favorable climate for organizing salaried employees both outside and within the auto industry.

The UAW will create three new occupationally linked councils under its Technical, Office and Professional Department to advance organizing and bargaining programs.

The union also established a new department to carry on the existing programs of its District 65 affiliate, which has been successful in organizing small units. District 65 represents salaried employees at firms such as Harper and Row and the Village Voice; university employees; and salaried and production workers at Revlon Inc.

In addition to its existing Academic Council, the UAW will establish a Public Employee Council with representatives from governmental bargaining units under UAW contract.

The union will establish a Private Employee Council. This group will comprise delegates from salaried, office and technical groups at firms including auto companies. Newly organized groups from industries such as banking and insurance will be included.

A Health Care Council will be formed, including UAW-represented employees of Blue Cross/Blue Shield and other non-profit firms.

Referring to salaried workers in the auto industry, a UAW spokesman in Detroit said, "The problem is in the past we have been used by groups of salaried people who bring us in as a bogeyman when they have a fight. We've always tried to be helpful and available, but often the employees are not fundamentally committed" to representation.

The UAW represents about 10,000-12,000 salaried clerical and technical employees at auto firms, the spokesman said, "with the lion's share at Chrysler Corp."

Citing the better climate for organizing other salaried employees, he said, "There are a lot of educated people coming out of school or who are on the job market for a long time. Employers can exploit this oversupply, as in the day care industry," where workers get minimum wages and few benefits.

Chrysler, UAW extend Newark pact deadline

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors and UAW Local 1183 at its Newark, Del., assembly plant have extended until June 19 a deadline to reach a new labor agreement that is necessary to ensure the plant's future.

Chrysler had said it would withhold future product from the plant if a "modern operating agreement" was not reached by March 4. In February, members of Local 1183 rejected Chrysler's request to negotiate a new pact.

A second vote now will be held on reopening the local contract, which expires in September 1988.

The Newark plant has been scheduled to begin making Chrysler's A-cars in late 1988. The A-cars will replace the K-cars now assembled in the plant.

Local 1183 officials declined comment. But George Smith, regional director of UAW Region 8, said he is "confident" Local 1183 will authorize negotiation of a new contract in a second vote.

Following the first vote, a petition drive was launched in the plant, seeking reconsideration.

Smith blamed the initial defeat on lack of time needed to explain the issues to the union membership. Chrysler set the March 4 deadline in a Jan. 15 letter to the union.

"We went back to the company and told them their approach was less than desirable," Smith said. "Both sides are willing to reconsider."

Prior to the reconciliation, UAW Vice President Marc Stepp, director of the union's Chrysler department, reportedly wrote two letters to company executives and accused Chrysler of interfering in internal union elections.

Stepp claimed that Chrysler was trying to interfere by pushing for negotiation of a new agreement before election of local union officers in May.

Following the union's refusal to reopen the contract, the company said it was accelerating a study to seek an alternate assembly site for the A-car. It also halted all facility construction and training that were underway in Newark in preparation for the A-car.

A Chrysler spokesman said the company will commit A-car assembly to the Newark plant if a new agreement is ratified.

Chrysler employs 4,300, including 3,800 hourly workers, at the Newark plant. The plant was built in 1952.

Smith said negotiations are likely to include discussion of fewer job classifications, pay-for-knowledge compensation, team production and the number of union representatives.

Chrysler has sought new labor agreements at several of its plants during the past year, citing an effort to obtain efficiency and productivity gains.

Permitting a second vote at Newark is not unprecedented. In August, Chrysler agreed to a second-chance vote on a new agreement at its Trenton, Mich., engine plant. Approval of the contract averted a plant phase-out.

Chrysler minivans to offer Mitsubishi V-6

Dodge Caravan, Plymouth Voyager and Dodge Mini Ram Van soon will be available with a new optional 3.0-liter V-6 engine which has a suggested retail price of $600. It is available only with an automatic transaxle. The engine, manufactured in Japan by Mitsubishi Motors Corp., provides 140 horsepower at 4,800 rpm with 170 pounds-feet of torque at 2,800 rpm. The V-6 increases the minivans' towing capacity to 2,750 pounds.

Automaker profits decline 6% for 1986

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — U.S. automakers' combined 1986 profits were down from 1985's although sales set an industry record.

Sales for General Motors, Ford Motor Co., Chrysler Corp. and American Motors totaled $191.6 billion in 1986, up 10 percent from 1985's $174.4 billion, the previous record.

Combined profits totaled $7.5 billion, down 6 percent from 1985's $8.0 billion mainly because of AMC's loss and significantly lower GM earnings.

For the fourth quarter, sales again were higher than the year-ago period while profits were off substantially. Combined fourth-quarter sales totaled $48.7 billion, setting a new fourth-quarter record. Sales were up 8 percent from $45.2 billion in the fourth quarter of 1985.

Profits dropped 32 percent to $1.5 billion compared with $2.2 billion in 1985.

For the year, GM reported a profit of $2.9 billion, down 28 percent from 1985's $4.0 billion. Sales for the year were a record $102.8 billion, up 7 percent from $96.4 billion in 1985.

For the fourth quarter, GM's earnings were $382 million, a 71 percent drop from $1.3 billion in the fourth quarter of 1985. It was GM's lowest fourth-quarter profit since the recession year of 1982.

Ford, meanwhile, outearned GM for the first time since 1924. Ford reported 1986 profits were $3.3 billion, up 32 percent from 1985's $2.5 billion, surpassing the previous record of $2.9 billion earned in 1984. Sales for 1986 were a record $62.7 billion, up 19 percent from $52.8 billion in 1985.

For the quarter, Ford earned $785 million, up 9 percent from $720 million in the year-earlier quarter. It was Ford's best-ever fourth quarter. Sales for the quarter were a record $16.3 billion, up 16 percent from $14.1 billion in 1985, the previous record.

Chrysler reported its third-best year for profits on record sales in 1986. Earnings for the year were $1.4 billion, down 13 percent from $1.6 billion in 1985. Sales were a record $22.6 billion, up 6 percent from $21.3 billion in 1985, the previous record.

For the fourth quarter, Chrysler came within $58 million of matching GM's fourth-quarter earnings. Chrysler profits for the quarter were $324 million, up 51 percent from $215 million in the year-earlier fourth quarter. Fourth-quarter sales were a record $5.9 billion, up 9 percent from $5.4 billion in 1985.

AMC reduced its full-year loss in 1986 by turning a profit in the fourth quarter. For the year, AMC lost $91 million, an improvement from a $125 million loss in 1985, though sales were lower. Sales for the year were $3.4 billion, down 15 percent from $4.0 billion in 1985.

AMC earned a profit of $20 million in the fourth quarter, its first quarterly profit in two years. That compared with a loss of $7 million in the fourth quarter of 1985. Sales for the quarter were $938 million, down 17 percent from $1.1 billion.

AUTO MAKERS' SALES, PROFITS (In millions)

	1986 Sales	1986 Profit (Loss)	1985 Sales	1985 Profit (Loss)
American Motors	$ 3,463	$(91)	$ 4,040	$(125)
Chrysler Corp.	22,586	1,404	21,256	1,635
Ford Motor Co.	62,716	3,285	52,774	2,515
General Motors	102,814	2,945	96,372	3,999
TOTAL	$191,579	$7,543	$174,442	$8,024
	Fourth Quarter 1986 Sales	Profit (Loss)	Fourth Quarter 1985 Sales	Profit (Loss)
American Motors	$ 938	$ 20	$ 1,128	$(7)
Chrysler Corp.	5,939	324	5,383	215
Ford Motor Co.	16,262	785	14,096	720
General Motors	25,527	382	24,641	1,252
TOTAL	$48,666	$1,511	$45,248	$2,180

Saturn dealers near; name change eyed

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Saturn Corp. will begin appointing dealers by late spring or early summer while executives of General Motors' newest division contemplate a change in the firm's name.

Donald W. Hudler, Saturn vice president of marketing, sales and service, said the company will outline the process by which dealers will be selected within the next 90 days and announce the selection of some dealers shortly thereafter.

Saturn President Richard LeFauve said last fall that the first Saturn dealers will be located in areas where imports are strong.

In the meantime, Saturn executives will consider changing the name of the auto division.

Last September, Saturn Corp. was slapped with a lawsuit when it tried to register the name as a federal trademark. Saturn Tire & Rubber Co., a tire distributor in Bloomington, Ill., is asking for all profits GM derived from its use of that name.

GM's Saturn made an undisclosed counter offer to Saturn Tire & Rubber Co. after the suit was filed but it was not accepted. The case is pending.

Hudler, who was appointed to the Saturn post Feb. 1, said it was a "prudent time" to review alternative names. Saturn executives are now mulling possible names though no deadline has been set for a decision.

The Spring Hill, Tenn., Saturn plant will initially produce 200,000 to 250,000 cars annually, beginning in the summer of 1990.

Corsica holds up best in Insurance Institute bumper test

HOW MUCH A CRASH COSTS

Car	Front into barrier	Rear into barrier	Front into angled barrier	Rear into pole	Total Damage in All Tests
Chevrolet Corsica*	$40	0	$204	$175	$419
Toyota Camry	67	0	274	525	866
Buick Skylark	0	0	795	229	1,024
Oldsmobile Firenza	0	0	351	774	1,125
Pontiac Sunbird	0	13	491	739	1,243
Ford Tempo GL	221	12	665	361	1,259
Nissan Stanza E	0	53	817	509	1,379
Oldsmobile Calais	216	35	733	397	1,381
Chrysler LeBaron GTS	199	113	765	453	1,530
Mercury Sable GS	0	0	459	1,112	1,571
Plymouth Reliant LE	127	284	488	718	1,617
Chevrolet Celebrity	350	265	639	365	1,619
Chevrolet Cavalier	25	248	976	406	1,655
Oldsmobile Ciera	0	0	836	868	1,704
Buick Skyhawk	134	0	560	1,017	1,710
Pontiac Grand Am	79	120	847	703	1,749
Chrysler LeBaron	208	211	247	1,206	1,872
Dodge 600	261	332	888	403	1,884
Ford Taurus GL	0	0	527	1,418	1,945
Buick Century	204	73	859	860	1,996
Pontiac 6000	55	88	822	1,039	2,004
Honda Accord DX	0	0	830	1,200	2,030

The damage repair costs to 1987 midsize four-door cars were estimated following 5 mph crashes. They are rounded to nearest dollar. Estimates were prepared in February 1987, by two independent damage appraisers using ADP Collision Estimating Services with a labor rate of $25 per hour. Criteria for bumper face bar damage were adapted from the U.S. Department of Transportation Part 581 Bumper Standard in effect Sept. 1979-July 1982.
*1988 model
Source: Insurance Institute for Highway Safety.

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The 1988 Chevrolet Corsica showed the least damage of 22 mid-sized cars when bumper performance was tested at 5 mph.

The tests were conducted by the Insurance Institute for Highway Safety.

Total repair cost for the Corsica was $419 following four tests: front- and rear-end impact into a flat barrier, front-end impact into an angled barrier and rear-end impact into a pole. That compared with $2,030 for repairs when the tests were performed on a 1987 Honda Accord DX.

Only one other car sustained less than $1,000 worth of damage in the four crash tests. The Toyota Camry's damage was $886.

The IIHS data showed six cars sustained no damage during front- and rear-end barrier tests. They were the Buick Skylark, Oldsmobile Firenza, Mercury Sable GS, Oldsmobile Cutlass Ciera, Ford Taurus GL and Honda Accord DX.

Repair costs to four other cars in the same test were: Pontiac Sunbird, $13; Chevrolet Corsica, $40; Chevrolet Cavalier, $53; and Toyota Camry, $67.

At the other extreme, the Chevrolet Celebrity ($615) and the Dodge 600 ($593) sustained the most damage of the 22 cars during front- and rear-end tests.

As late as 1982 models, NHTSA required no damage in 5-mph impacts (except for a dent on the bumper face) for front and rear bumpers.

But one of the Reagan administration's first auto industry deregulation actions was to reduce 5-mph front- and rear-bumper protection into flat barriers, and 3-mph corner pendulum impact, to 2.5 mph and 1.5 mph, respectively.

Because energy rises exponentially, not arithmetically, a 5-mph requirement is four times as stringent as 2.5 mph, and 3 mph is four times as forceful as 1.5 mph.

IIHS noted that all 22 cars suffered front damage during testing into an angled barrier. Eight had more than $800 worth of damage.

All sustained damage in the rear-end/pole test — a test that was not included in the safety agency's test procedures. Six cars sustained more than $1,000 damage in that test.

Ford Motor Co., which was the leader in the original bumper protection action at NHTSA, has retained its 5-mph front- and rear-bumper strength.

Robert H. Munson, director of Ford's automotive safety office, said the "best evidence" of the bumper strength and damage resistance of the Taurus and Sable is that the two largest insurance companies — State Farm Mutual and Allstate — and most other insurance companies offer what he called significant discounts for collision and comprehensive coverage on 1987 models.

AUCTION DATES

American Motors

March 3 — D-A Auto Auction, New Stanton, Pa.

March 4 — Metro Milwaukee Auto Auction, Caldonia, Wis., and Minneapolis Auto Auction, Plymouth, Minn.

March 5 — Todd Auto Auction, Telford, Pa.; Aptco Auto Auction, Taylor, Mich.; and Evansville Auto Auction, Evansville, Ind.

March 10 — Statesville Auto Auction, Statesville, N.C.

March 11 — Kansas City Auto Auction, Kansas City, Mo.

March 12 — Corry Auto Auciton, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

Chrysler Corp.

March 3 — American Auto Auction, Walpole, Mass.; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

March 4 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

March 5 — Northway Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Indianapolis Auto Auciton, Indianapolis

March 10 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

Used Car Sales
Auction Averages

February, 1987	$5,711
Month ago	$5,494
Year ago	$4,811

Ford Motor Co.

March 3 — Harrisonburg Auto Auction, Harrisonburg, Va., and Indianapolis Auto Auction, Indianapolis

March 4 — Northway Auto Auction, Clifton Park, N.Y.; Lakeland Auto Auction, Lakeland, Fla.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

March 5 — Nashville Auto Auction, Nashville, Tenn.

March 11 — Atlanta Auto Auction, Red Oak, Ga.; Concord Auto Auction, Acton, Mass.; Columbus Fair Auto Auction, Obetz, Ohio; Salt Lake Auto Auction, Salt Lake City; and Southern California Auto Auction, Fontana, Calif.

March 12 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

March 18 — Lakeland Auto Auction, Lakeland, Fla., and Golden Gate Auto Auction, Fremont, Calif.

March 19 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Model Breakdown
Auction Averages

	FEB 1987	JAN 1987	DEC 1986
1987	$13,406	$13,158	$ 00
1986	$10,038	$11,481	$11,149
1985	$7,382	$7,054	$8,144
1984	$5,940	$5,811	$6,142
1983	$4,843	$4,995	$5,386
1982	$3,628	$3,599	$4,141
1981	$2,537	$2,614	$3,177
1980	$2,167	$1,997	$2,349
Overall Average	$5,711	$5,129	$5,181

General Motors

March 3 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and 166 Auto Auction, Springfield, Mo.

March 4 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

March 5 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

March 10 — Denver Auto Auction, Englewood, Colo.

Advanced aircraft propulsion system could provide fuel savings

GM, United Tech team up on prop-fan for aircraft

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors and United Technologies have formed a joint venture to develop a new propulsion system for aircraft in the 1990s.

"We think this is an opportunity to write a new chapter in the history of commercial aviation," said GM President F. James McDonald. He spoke at a press conference last week, which was held to announce the joint venture and display a model of the propulsion system.

The new company, formed by GM's Allison Gas Turbine Division and United Technologies' Pratt & Whitney, will be called PW-Allison Engines. Its sole purpose is to develop and demonstrate prop-fan engine technology. Hamilton Standard, the world's largest maker of propellers, invented the prop-fan more than 10 years ago under NASA sponsorship and also is participating in the venture.

The prop-fan involves two fan-like propellers rotating in opposite directions. Under development by the companies for two years, the prop-fan is said to save up to 30 percent in fuel compared with today's turbofans without sacrificing speed or passenger comfort.

Officials of the new company said the prop-fan makes a new generation of efficient aircraft possible. Airlines are interested in more-fuel-efficient engines, and GM and UTC claim the prop-fan can cut an airline's operating cost by 10 percent.

F. Blake Wallace, Allison general manager, and Lawrence W. Clarkson, president of Pratt & Whitney's Commercial Products Division, said they estimate 2,000 next-generation aircraft, which will be in the skies in the early 1990s, are possibilities for the prop-fan.

The joint-venture company has no orders now but expects to have some in a year or so. Officials of the company said they believe the prop-fan operation could grow into a $14 billion business annually.

General Electric has prop-fan development in the works, and officials of the joint-venture company expect more competition to arise. Nevertheless, they are confident that their joint venture's technology is superior.

In addition, PW-Allison expects to be able to sell its propulsion systems for less because of lower costs. Instead of developing an all-new engine, a derivative engine based on Allison's current Model 578 is being used.

The investment for prop-fan development is about $500 million to $1 billion, the companies said.

The PW-Allison partnership capitalizes on the strengths of Pratt & Whitney, the leading supplier of aircraft engines for the commercial airline market; Allison, the major supplier of large turboprop engines for military aircraft; and Hamilton Standard, the largest propeller manufacturer.

Last February, Allison and Pratt & Whitney signed an agreement to to demonstrate a propulsion system on a McDonnell Douglas MD-80 aircraft by the end of this year. This planecan carry about 130 passengers.

The joint-venture company will be headquartered in Hartford, Conn. Work on prop-fans will be done in East Hartford, Conn., and Indianapolis.

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